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GENERAL NOTES
TARIFF SCHEDULE OF PERU

Appendix I

Tariff-Rate Quotas

Notes

1. This Appendix contains modifications of the provisions of the HTSPERU pursuant to this Agreement. Originating goods included in the Appendix are subject to the rates of duty set out in this Appendix in lieu of the rates of duty set out in Chapters 1 through 97 of the HTSPERU. Notwithstanding any tariff-rate quota provisions provided for elsewhere in the HTSPERU, originating goods shall be permitted entry into Peru as provided in this Appendix. Furthermore, any quantity of goods imported from the United States under a tariff-rate quota provided in this Appendix shall not be counted toward the in-quota amount of any tariff-rate quota provided for such goods elsewhere in the HTSPERU.
2. The following provisions shall apply to agricultural goods as defined in Section G (Agriculture) of Chapter Two (National Treatment and Market Access for Goods):
 - (a) Peru shall not apply any price band system (*Sistema de Franjas de Precios*) to agricultural goods imported from the United States.
 - (b) Peru shall not apply any duty to an agricultural good imported from the United States higher than that provided in Peru's Tariff Schedule to this Agreement.
 - (c) If Peru applies a duty described in subparagraph (d) that is lower than that provided for in subparagraph (b) to an agricultural good imported from any source, Peru shall apply to such good imported from the United States, if subject to duties under this Agreement, the lesser of the duties described in subparagraph (d).
 - (d) The duties referenced in subparagraph (c) shall include:
 - (i) the prevailing most-favored-nation duty applied to that good; and
 - (ii) for goods entered under the HTSPERU provisions listed in Table 1 to this Appendix, the duty applied to that good pursuant to any preferential arrangement, unless such duty is applied pursuant to obligations expressly undertaken by Peru before December 7, 2005 under an arrangement signed by Peru before that date and not modified or further specified after that date.

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Standard Quality Beef

3. (a) The aggregate quantity of goods entered under the provisions listed in subparagraph (c) shall be free of duty in any calendar year specified herein, and shall not exceed the quantity specified below for the United States in each such year:

Year	Quantity (Metric tons)
1	800
2	848
3	899
4	953
5	1,010
6	1,071
7	1,135
8	1,203
9	1,275
10	1,352
11	1,433
12	unlimited

The quantities shall enter on a first-come, first-served basis.

- (b) Duties on goods entered in aggregate quantities in excess of the quantities listed in subparagraph (a) shall be removed by January 1 of year 12 through annual linear cuts.
- (c) Subparagraphs (a) and (b) apply to the following HTSPERU provisions: 02013000B, 02022000B, and 02023000B, except for prime and choice beef, for which all duties shall be removed upon entry into force of the Agreement. **Prime and choice beef** shall mean prime and choice grades of beef as defined in the United States Standards for Grades of Carcass Beef, promulgated pursuant to the *Agricultural Marketing Act of 1946* (7 U.S.C. §§ 1621-1627), as amended.

Beef Variety Meats

4. (a) The aggregate quantity of goods entered under the provisions listed in subparagraph (c) shall be free of duty in any calendar year specified herein, and shall not exceed the quantity specified below for the United States in each such year:

Year	Quantity (Metric tons)
1	10,000
2	10,600

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3	11,236
4	11,910
5	12,625
6	13,382
7	14,185
8	15,036
9	15,938
10	unlimited

The quantities shall enter on a first-come, first-served basis.

- (b) Duties on goods entered in aggregate quantities in excess of the quantities listed in subparagraph (a) shall be removed by January 1 of year 10 through annual linear cuts.
- (c) Subparagraphs (a) and (b) apply to the following HTSPERU provisions: 02062100, 02062200, 02062900, and 05040010.

Chicken Leg Quarters

- 5. (a) The aggregate quantity of goods entered under the provisions listed in subparagraph (c) shall be free of duty in any calendar year specified herein, and shall not exceed the quantity specified below for the United States in each such year:

Year	Quantity
	(Metric tons)
1	12,000
2	12,960
3	13,997
4	15,117
5	16,326
6	17,632
7	19,042
8	20,566
9	22,211
10	23,988
11	25,907
12	27,980
13	30,218
14	32,635
15	35,246
16	38,066
17	unlimited

The quantities shall enter on a first-come, first-served basis.

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- (b) Duties on goods entered in aggregate quantities in excess of the quantities listed in subparagraph (a) shall be removed by January 1 of year 17 through a non-linear phase-out: 8 years grace, annual linear cuts thereafter.
- (c) Subparagraphs (a) and (b) apply to the following HTSPERU provisions: 02071300A, 02071400A, and 16023200A (bone-in).

Yellow Corn

- 6. (a) The aggregate quantity of goods entered under the provision listed in subparagraph (c) shall be free of duty in any calendar year specified herein, and shall not exceed the quantity specified below for the United States in each such year:

Year	Quantity
	(Metric tons)
1	500,000
2	530,000
3	561,800
4	595,508
5	631,238
6	669,113
7	709,260
8	751,815
9	796,924
10	844,739
11	895,424
12	unlimited

The quantities shall enter on a first-come, first-served basis.

- (b) Duties on goods entered in aggregate quantities in excess of the quantities listed in subparagraph (a), shall be removed by January 1 of year 12 through annual linear cuts.
- (c) Subparagraphs (a) and (b) apply to the following HTSPERU provision: 10059011.

Rice

- 7. (a) The aggregate quantity of goods entered under the provisions listed in subparagraph (d) shall be free of duty in any marketing year (October 1 through September 30, except for year one, which will run from January 1 through

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September 30) specified herein, and shall not exceed the quantity specified below for the United States in each such year:

Year	Quantity (Metric tons, milled equivalent basis)
1 (9 months)	55,500
2	78,440
3	83,146
4	88,135
5	93,423
6	99,029
7	104,970
8	111,269
9	117,945
10	125,021
11	132,523
12	140,474
13	148,903
14	157,837
15	167,307
16	177,345
17	unlimited

The quantities shall enter on a first-come, first-served basis.

- (b) Duties on goods entered in aggregate quantities in excess of the quantities listed in subparagraph (a), shall be removed by January 1 of year 17 through a non-linear phase-out: 4 years grace, annual linear cuts thereafter.
- (c) For purposes of calculating the quantities in subparagraph (a), metric tons of rough rice shall be converted to milled metric ton equivalents using a factor of 0.71 milled metric tons per 1.00 rough metric ton, and metric tons of brown rice shall be converted to milled metric ton equivalents using a factor of 0.89 milled metric tons per 1.00 brown metric ton.
- (d) Subparagraphs (a), (b), and (c) apply to the following HTSPERU provisions: 10061090, 10062000, 10063000, and 10064000.

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Refined Soybean Oil

8. (a) The aggregate quantity of goods entered under the provision listed in subparagraph (c) shall be free of duty in any calendar year specified herein, and shall not exceed the quantity specified below for the United States in each such year:

Year	Quantity
	(Metric tons)
1	7,000
2	7,350
3	7,718
4	8,103
5	8,509
6	8,934
7	9,381
8	9,850
9	10,342
10	unlimited

The quantities shall enter on a first-come, first-served basis.

- (b) Duties on goods entered in aggregate quantities in excess of the quantities listed in subparagraph (a), shall be removed by January 1 of year 10 through annual linear cuts.
- (c) Subparagraphs (a) and (b) apply to the following HTSPERU provision: 15079000.

Milk Powder

9. (a) The aggregate quantity of goods entered under the provisions listed in subparagraph (c) shall be free of duty in any calendar year specified herein, and shall not exceed the quantity specified below for the United States in each such year:

Year	Quantity
	(Metric tons)
1	4,630
2	5,186
3	5,808
4	6,505
5	7,285

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6	8,160
7	9,139
8	10,235
9	11,464
10	12,839
11	14,380
12	16,106
13	18,038
14	20,203
15	22,627
16	25,343
17	unlimited

The quantities shall enter on a first-come, first-served basis.

- (b) Duties on goods entered in aggregate quantities in excess of the quantities listed in subparagraph (a), shall be removed by January 1 of year 17 through a non-linear phase-out: 10 years grace, annual linear cuts thereafter.
- (c) Subparagraphs (a) and (b) apply to the following HTSPERU provisions: 04021010, 04021090, 04022111, 04022119, 04022191, 04022199, 04022911, 04022919, 04022991, 04022999, 04029110, 04029190, 04029910, and 04029990.

Yogurt

- 10. (a) The aggregate quantity of goods entered under the provision listed in subparagraph (c) shall be free of duty in any calendar year specified herein, and shall not exceed the quantity specified below for the United States in each such year:

Year	Quantity (Metric tons)
1	70
2	77
3	85
4	93
5	102
6	113
7	124
8	136
9	150
10	165

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11	182
12	200
13	220
14	242
15	unlimited

The quantities shall enter on a first-come, first-served basis.

- (b) Duties on goods entered in aggregate quantities in excess of the quantities listed in subparagraph (a), shall be removed by January 1 of year 15 through annual linear cuts.
- (c) Subparagraphs (a) and (b) apply to the following HTSPERU provision: 04031000.

Butter

- 11. (a) The aggregate quantity of goods entered under the provisions listed in subparagraph (c) shall be free of duty in any calendar year specified herein, and shall not exceed the quantity specified below for the United States in each such year:

Year	Quantity (Metric tons)
1	500
2	550
3	605
4	666
5	732
6	805
7	886
8	974
9	1,072
10	1,179
11	1,297
12	1,427
13	1,569
14	1,726
15	unlimited

The quantities shall enter on a first-come, first-served basis.

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- (b) Duties on goods entered in aggregate quantities in excess of the quantities listed in subparagraph (a), shall be removed by January 1 of year 15 through annual linear cuts.
- (c) Subparagraphs (a) and (b) apply to the following HTSPERU provisions: 04051000, 04052000, 04059020, and 04059090.

Cheese

- 12. (a) The aggregate quantity of goods entered under the provisions listed in subparagraph (c) shall be free of duty in any calendar year specified herein, and shall not exceed the quantity specified below for the United States in each such year:

Year	Quantity
	(Metric tons)
1	2,500
2	2,800
3	3,136
4	3,512
5	3,934
6	4,406
7	4,935
8	5,527
9	6,190
10	6,933
11	7,765
12	8,696
13	9,740
14	10,909
15	12,218
16	13,684
17	unlimited

The quantities shall enter on a first-come, first-served basis.

- (b) Duties on goods entered in aggregate quantities in excess of the quantities listed in subparagraph (a), shall be removed by January 1 of year 17 through a non-linear phase-out: 10 years grace, annual linear cuts thereafter.
- (c) Subparagraphs (a) and (b) apply to the following HTSPERU provisions: 04061000, 04062000, 04063000, 04064000, 04069010, 04069020, 04069030, and 04069090.

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Ice Cream

13. (a) The aggregate quantity of goods entered under the provision listed in subparagraph (c) shall be free of duty in any calendar year specified herein, and shall not exceed the quantity specified below for the United States in each such year:

Year	Quantity (Metric Tons)
1	300
2	330
3	363
4	399
5	439
6	483
7	531
8	585
9	643
10	707
11	778
12	856
13	942
14	1,036
15	unlimited

The quantities shall enter on a first-come, first-served basis.

- (b) Duties on goods entered in aggregate quantities in excess of the quantities listed in subparagraph (a), shall be removed by January 1 of year 15 through annual linear cuts.
- (c) Subparagraphs (a) and (b) apply to the following HTSPERU provision: 21050000.

Processed Dairy Products

14. (a) The aggregate quantity of goods entered under the provisions listed in subparagraph (c) shall be free of duty in any calendar year specified herein, and shall not exceed the quantity specified below for the United States in each such year:

Year	Quantity (Metric tons)
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1	2,000
2	2,200
3	2,420
4	2,662
5	2,928
6	3,221
7	3,543
8	3,897
9	4,287
10	4,716
11	5,187
12	5,706
13	6,277
14	6,905
15	unlimited

The quantities shall enter on a first-come, first-served basis.

- (b) Duties on goods entered in aggregate quantities in excess of the quantities listed in subparagraph (a), shall be removed by January 1 of year 15 through annual linear cuts.
- (c) Subparagraphs (a) and (b) apply to the following HTSPERU provisions: 04039000, 19011010, and 19011090.

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Table 1

HTSPERU Provisions

01031000	02090010	04062000	15010030
01039100	02090090	04063000	15030000
01039200	02101100	04064000	15152100
02011000	02101200	04069010	15152900
02012000	02101900	04069020	16010000
02013000	02102000	04069030	16021000
02021000	02109910	04069090	16022000
02022000	02109990	04070010	16023100
02023000	04011000	04070020	16023200
02031100	04012000	04070090	16023900
02031200	04013000	04081100	16024100
02031900	04021010	04081900	16024200
02032100	04021090	04089100	16024900
02032200	04022111	04089900	16025000
02032900	04022119	05040010	16029000
02061000	04022191	05040020	16030000
02062100	04022199	05040030	17021100
02062200	04022911	10051000	17021910
02062900	04022919	10059011	17021920
02063000	04022991	10059012	19011010
02064100	04022999	10059020	19011090
02064900	04029110	10059090	19049000
02071100	04029190	10061010	21050000
02071200	04029910	10061090	23021000
02071300	04029990	10062000	23022000
02071400	04031000	10063000	23031000
02072400	04039000	10064000	23067000
02072500	04041010	10070010	23099030
02072600	04041090	10070090	35011000
02072700	04049000	11022000	35019010
02073200	04051000	11023000	35019090
02073300	04052000	11031300	35021100
02073400	04059020	11042300	35021900
02073500	04059090	11081200	35022000
02073600	04061000	15010010	